

Tax & Development Sub Group on Transparency in Financial Reporting

Voluntary Transparency Initiatives by Business

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Rio Tinto – Taxes Paid Report

- Rio Tinto is a strong supporter of the Extractive Industries Transparency Initiative (EITI)
- We have provided voluntary reporting of tax and wider economic contributions for a number of years
- In 2010 we committed to increase the level of our detailed reporting on payments to governments
- In response to comments from stakeholders, in 2011 we expanded the detail to include types of payment by level of government
- <http://www.riotinto.com/ourapproach/taxespaidin2011.asp>

5 Our tax payments in 2011

Country (US\$ millions)	Corporate income tax	Government royalties	Payroll taxes employer	Other taxes and payments	Total tax payments borne	Payroll taxes employee	Sales and other indirect taxes (i)	Total taxes paid
Canada Federal	187	(2)	23	14	222	229	(187)	264
Newfoundland	204	-	5	41	250	-	-	250
Quebec	10	56	68	-	134	150	(99)	185
British Columbia	-	18	-	-	18	-	-	18
North West Territories	5	-	-	-	5	1	-	6
Canada Local	1	-	2	77	80	-	(2)	78
Canada Total	407	72	98	132	709	380	(288)	801

Re-design of the Taxes Paid report

Why ? ... already reporting in support of EITI

Considered response to

- an evolving landscape
- confusion around cash taxes and the accounting tax charge
- confusion on the general principles that determine in which country tax is paid
- extractive industry sector perspective

Re-design of the Taxes Paid report

How did we approach this ?

Clean sheet of paper

- What tax issues are being debated ?
- What tax issues are causing confusion ?
- How does tax fit within the corporate governance framework ?
- What information is required to help fight corruption ?
- How to maintain perspective ? Tax is only part of the total economic contribution made by business